GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:1279
ANSWERED ON:09.02.2017
Operation of Air India Flights
Teli Shri Rameswar

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Air India is operating its flights despite incurring heavy losses, if so, the details thereof;

(b) whether the Government has any proposal to provide financial assistance to Air India to revive the national carrier and if so, the details thereof;

(c) whether the Government has taken corrective steps to boost the financial strength of Air India; and

(d) if so, the details thereof?

Answer

Minister of State in the Ministry of CIVIL AVIATION

(Shri Jayant Sinha)

(a) : Air India continuously monitors the market developments, performance of its flights and carries out studies with an objective to withdraw, to introduce new routes or increase / decrease frequency on existing routes.Air India has withdrawn flights which were not meeting their fuel/variable cost. However, Air India analyses the reasons for the losses and based on the strategic importance of such services to its network arrives at a decision whether to continue or withdraw such services. While determining the desirability or otherwise of discontinuing services of loss making services, Air India takes into account the revenue contributions made by the subject services to its other services by way of feeder traffic. As such non-profitability of any one flight is not taken in isolation as the sole barometer of its financial performance.;
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(b) to (d) : Government had approved a Turnaround Plan (TAP) / Financial restructuring Plan (FRP) for operational and financial turnaround of Air India. The TAP/FRP provides equity infusion of Rs.30231 crores upto 2021 subject to achievement of certain milestones as laid down in the TAP/FRP. The Company has made substantial progress in both Operational as well as Financial Areas as per TAP milestones. As a part of the Turnaround Strategy for Air India Ltd., the company with the overall support of the Govt. has initiated a number of steps in order to cut costs and losses.